

8 March 1989
OCA 0755-89



MEMORANDUM FOR: (See Distribution)

FROM:

Deputy Director for Legislation
Office of Congressional Affairs

SUBJECT: Introduction of Legislation To Place
Secretary of Commerce on the NSC

1. Attached for your information are the remarks of Senator Cranston (D-CA) upon his introduction (2 March 1989) of S. 499, a bill to make the Secretary of Commerce a full statutory member of the National Security Council. The text of the bill is appended to his remarks. Senate cosponsors were Senators Bingaman (D-NM), Murkowski (R-AK) and Danforth (R-MO). Senators Cranston, Murkowski and Danforth are members of the Senate Select Committee on Intelligence (SSCI) to which the bill has been referred.

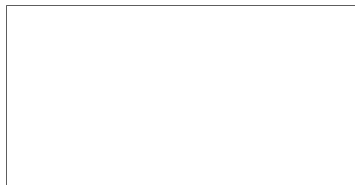
2. As the Cranston remarks indicate, the initiative for this legislation appears to come from Congressional dissatisfaction over the role of the Department of Commerce in the FSX fighter negotiations with Japan.

3. In the House, a companion bill, H.R. 1248, was introduced the same day by Representative Levine (D-CA) and cosponsored by Representatives Florio (D-NJ), Ritter (R-PA), Nielson (R-UT), Bryant (D-TX), McCurdy (D-OK) and Bereuter (R-NE). Representatives McCurdy and Bereuter, of course, sit on the House Permanent Select Committee on Intelligence (HPSCI). In the House, the bill was referred jointly to HPSCI and Armed Services.

4. At present, it is not clear what the legislation's prospects are. The fact that it enjoys bipartisan sponsorship, including members from both sides of the aisle on the intelligence committees, indicates that the underlying sentiment cannot be completely dismissed.

5. Should the legislation begin to move, it is likely the Administration will take the lead in responding. We will keep you advised as to its status.

Attachment
as stated



REGISTRY

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time, in such manner, and containing such information as the Secretary may reasonably require.

SEC. 7. NATIONAL ACTIVITIES.

(a) **NATIONAL ACADEMY FOR TEACHING.**—From amounts appropriated pursuant to section 3(d)(1) the Secretary shall, through grant, contract, or other arrangement with a public agency or private nonprofit institution or organization, establish a National Academy for Teaching. The Academy shall—

(1) serve as a clearinghouse for research, evaluations, and model programs regarding the professional development, recruitment, and training of teachers;

(2) disseminate information about such research, evaluations, and model programs (including pilot programs conducted under sections 4 and 5); and

(3) train or retrain elementary or secondary school teachers and principals.

The Academy shall not have the authority to certify or license teachers.

(b) **STUDY OF PENSION PORTABILITY.**—From amounts appropriated pursuant to section 3(d)(2) the Secretary shall conduct a study of the feasibility of permitting teachers and administrators to transport pension benefits among States and among local educational agencies.

SEC. 8. LOAN FORGIVENESS FOR TEACHERS IN SCHOOLS WITH SUBSTANTIAL ENROLLMENTS OF MINORITY STUDENTS.

(a) **IN GENERAL.**—(1) Notwithstanding the provisions of the Higher Education Act of 1965, the Secretary shall, in accordance with the provisions of this section, cancel the obligation to repay a Stafford loan (a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965) for any borrower who is employed as a full-time teacher in a public elementary or secondary school of a State or local educational agency in which the enrollment of minority students equals or exceeds 50 percent of the total enrollment of such school.

(2) The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

(b) **LOAN CANCELLATION.**—(1) For each academic year in which the borrower of any Stafford loan is employed as a full-time teacher in a school described in subsection (a), the Secretary shall cancel the obligation to repay 20 percent of the total amount of each such loan. The total period for which cancellation may be made under this subsection shall be 5 years.

(2) If a portion of a loan is canceled under this subsection for any year, the entire amount of interest on such loan which accrues for such year shall be canceled.

(c) **REPAYMENT OF ELIGIBLE LENDERS.**—From amounts appropriated pursuant to section 3(e), the Secretary shall pay to each eligible lender and holder for each fiscal year an amount equal to the aggregate amount of Stafford loans which are canceled pursuant to this section for such year.

(d) **APPLICATION FOR CANCELLATION.**—Each individual desiring a cancellation under this Act shall submit an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

(e) **DEFINITION.**—For the purpose of this section, the term "eligible lender" has the meaning provided by section 435(d) of the Higher Education Act of 1965.

(f) **EFFECTIVE DATE.**—The provisions of this section shall take effect 90 days after the date of enactment of this Act.

SEC. 9. DEFINITIONS.

As used in this Act, the term—

(1) "institution of higher education" has the meaning provided in section 435(b) of the Higher Education Act of 1965;

(2) "local educational agency" has the meaning provided by section 1471(c)(12) of the Elementary and Secondary Education Act of 1965;

(3) "Secretary" means the Secretary of Education; and

(4) "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

SEC. 10. EFFECTIVE DATE.

The provisions of this Act shall take effect on October 1, 1990.■

By Mr. CRANSTON (for himself, Mr. BINGAMAN, Mr. MURKOWSKI, and Mr. DANFORTH):

S. 499. A bill to amend the National Security Act of 1947 to make the Secretary of Commerce a member of the National Security Council; to the Select Committee on Intelligence.

DESIGNATION OF SECRETARY OF COMMERCE AS A MEMBER OF THE NATIONAL SECURITY COUNCIL.

Mr. CRANSTON. Mr. President, I rise to introduce legislation to make the Secretary of Commerce a statutory member of the National Security Council. I do so in order to ensure that economic considerations are part of the national security advice given to the President. This bill is identical to legislation introduced in the House by my friend and fellow Californian, Mr. LEVINE.

Mr. President, the world is a far more complex place today than it was when the NSC was created in 1947. It's time to recognize—in a formal way—that economic security is a fundamental and inseparable part of national security, and deserves the same respect given to military and foreign policy considerations. This legislation will aid us in our efforts to develop sound, coordinated policies that take into account our economic as well as our national security concerns.

As America prepares to enter the 21st century, the stakes are extraordinarily high. The internationalization of the world economy has changed the dimensions of national security. Foreign trade competition is greater now than at any other time in our history and shows no signs of abating. The developing economies of the Pacific rim are gaining economic power as they expand their level of exports to the United States and the rest of the world. We must acknowledge Japan as an economic giant and work to lower our massive trade deficit with her. Our nation will also encounter a more concerted trade effort from our allies in Europe as the EC pushes to consolidate its markets by 1992.

If we continue to mount soaring trade deficits, we risk losing an entire generation of jobs and business opportunities. We risk weakening our economic institutions and industrial base. This, obviously, has implications for our national security. If America wishes to remain a world leader, we must meet these economic challenges. I believe we will be successful, but suc-

cess will not come on its own. We must work creatively and tirelessly to regain our edge in international trade competition.

We must begin this process by rethinking the way in which our Nation formulates policy. We must recognize that our economic security is the foundation of our national security. Thus, one of our most important goals must be to ensure that economic concerns are fully considered in national security debates.

As part of the National Security Act of 1947, the National Security Council was created to "advise the President with respect to the integration of domestic, foreign and military policies relating to national security". Statutory membership on the Council is limited to the President, Vice President, and the Secretaries of State and Defense. Because of the growing importance of economic policy issues to our national security, I believe the time has come to bring the Department of Commerce into the realm of national security decisionmaking.

It is extremely important we do not overlook the domestic element of the national security equation. Simply put, a sound economy is the foundation of our national security. Without economic strength and stability, the future well-being of our Nation is in jeopardy. This is why I support making the Secretary of Commerce a statutory member of the National Security Council.

National security concerns cannot be properly examined if looked at outside the context of economic considerations. Let me illustrate this point by discussing the issue of American high technology exports, an issue with considerable national security implications. The Department of Defense is greatly concerned about sensitive technology getting into the hands of Soviet bloc nations—and rightly so; such diversions would have severe military consequences for our Nation. However, the issue of technology exports cannot be examined solely in military terms. Exports of non-sensitive goods account for a sizable portion of our Nation's overall level of high-technology exports. Placing excessive controls on goods which are not critical, or are readily available from other western sources, undermines the competitiveness of our high technology industries, thus harming America's economic position.

Clearly, both Commerce and Defense have a role to play in developing policies such as those relating to export controls. I am concerned, however, that economic considerations are not always given the attention they deserve. It's crucial that we continue to foster a more cooperative effort on issues impacting our economic national security.

The most recent manifestation of this is the handling of the Fighter Support Experimental [FSX] Agree-

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ment with Japan by the administration. Negotiations on this agreement—which would allow the United States to transfer fighter aircraft technology to Japan for codevelopment and coproduction, and in turn receive access to any new technology resulting from the project—were handled entirely by the Defense Department. It is only because of strong reservations expressed by Commerce Secretary Mosbacher, U.S. Trade Representative Hills, and Members of Congress that the administration delayed signing the agreement, thus allowing time for review by an interagency panel. This delay has given Commerce officials some time to assess the potential impact that this transfer of important technology could have on the long-term competitiveness of American industry. But, essentially, the agreement was complete before Commerce had any real opportunity to review the deal or to affect the specifics of the agreement. This should not happen.

Clearly, we must not treat our economic concerns so lightly. How we deal without trading partners will largely determine the fate of the American economy and our role as a world power. We must ensure that the Commerce Department is an active player in all matters which involve our economic and national security concerns. The challenges presented to us by a changing world economy must be confronted by a unified American Government, with policies which reflect our Nation's best interests. We must coordinate our efforts better—nothing less than our future prosperity depends on it.

Mr. President, I am pleased to be joined by this bipartisan effort to reinforce our national security by my colleagues, Senator MURKOWSKI, BINGAMAN, and DANFORTH. It's my hope that other Senators will show their support by cosponsoring this legislation, and that this important measure will be enacted soon.

I ask unanimous consent that the text of the bill be printed at the conclusion of my statement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(a) of the National Security Act of 1947 (50 U.S.C. 402(a)) is amended—

- (1) in clause (6) of the fourth undesignated paragraph by striking "and";
- (2) by redesignating clause (7) of that paragraph as clause (8); and
- (3) by inserting after clause (6) of that paragraph the following:

"(7) the Secretary of Commerce; and".

Mr. BINGAMAN. Mr. President, I am pleased to be an original cosponsor of Senator CRANSTON's legislation to make the Secretary of Commerce a statutory member of the National Security Council. I commend him for introducing this long overdue legislation and I commend his colleague Con-

gressman LEVINE for introducing identical legislation in the House.

It has been clear to me for some time that we need to broaden our traditional narrow definition of "national security" to include our economic and trade relations with other nations. As a member of the Armed Services Committee, I have seen these economic and trade issues become inextricably intertwined with our defense relations with our allies and foes alike. The most recent instance is the memorandum of understanding with Japan on the development of the FSX fighter. But I can think of numerous other instances in recent years where our Nation would have benefited from a closer linkage between our economic policies and our defense and foreign policies. Frankly, most other nations do a far better job in making this connection in their policy process.

I can think of no better way to further this purpose in our own policy making process than by placing the Secretary of Commerce on the National Security Council. I urge my colleagues to seriously consider this legislation and I hope that it will win broad support throughout the Congress.

Mr. MURKOWSKI. Mr. President, one of the most profound developments in a rapidly changing world is the growing linkage between commerce and national security.

General Secretary Gorbachev's far-reaching reform campaign is based on the urgent recognition that the Soviet Union is falling far behind other advanced industrial nations in economic performance. Despite its vast military power, the U.S.S.R. is in real danger of being relegated to the status of a second rate power as its economic limitations curtail its international influence and, ultimately, its military capability.

Global economic power has shifted sharply to the Far East. Japan has replaced the United States as the global banker. Korea, Taiwan, and other nations on the Pacific Rim are the world's fastest growing, most dynamic economies. Europe has made a dramatic bid to join them with the decision to create a true European Common Market in 1992. Meanwhile, the international economic position of the United States has eroded sharply as evidenced by persistent trade deficits and the reliance on foreign financing to support the Federal budget deficit.

The U.S. Government is not well organized to meet this increasingly demanding international economic competition. Formerly, this country had the luxury of ignoring the commercial implications of political and military decisions. No longer.

The recent United States-Japan proposed agreement on the FSX fighter aircraft is a case in point. Because the commercial implications of that proposed agreement were not taken fully into account by U.S. negotiators, we signed an agreement that is probably

not as good as it could have been. Even if the agreement is an acceptable one, the process that produced it was clearly flawed. There are many other similar examples of the same problem.

I am pleased to join Senator CRANSTON in introducing legislation to insure that economic and commercial considerations be taken fully into account in national security decision-making. The proposed bill would add the Secretary of Commerce as a statutory member of the National Security Council. In my view, we should go a step further and extend the membership to include the U.S. Trade Representative, as well. When the bill comes to committee, I will propose a friendly amendment to that effect.

By Mr. McCONNELL:

S. 500. A bill to provide incentive grants to one elementary and two secondary schools of excellence in each congressional district, and for other purposes; to the Committee on Labor and Human Resources.

EXCELLENCE IN EDUCATION ACT

● Mr. McCONNELL. Mr. President, I rise today to introduce the Excellence in Education Act of 1989. This legislation, introduced in the 100th Congress as S. 1627, provides for the award of incentive grants to elementary and secondary schools which achieve the greatest improvement in academic achievement and attendance rate. This bill seeks to further assure both families as well as teachers that excellence in education remains a national, as well as State and local, priority.

As we look across the Nation, it is clear that the Nation's education report card is mixed at best. Reports of high educational achievement clash with other stories of frighteningly low educational attainment. For every bright star in the education sky, there is at least another dim point where education performance falters. I fear that, unless we take action as a nation to address our educational problems, the educational sky may dim altogether.

My own State of Kentucky exemplifies the educational challenge facing us. The Commonwealth of Kentucky has the lowest percentage of high school graduates in the country—only 53 percent of Kentucky's population 25 and older have high school degrees. In fact, 20 percent of Kentucky adults have less than an eighth grade education. The number of Kentucky adults age 15 to 44 who have even attended college lags 26 percent behind the national average. Perhaps even more frighteningly, Kentucky ranks—at or near the bottom of the Nation in percentage of adult literacy.

As stark as this picture is, I don't mean to suggest that Kentucky is bereft of educational success. Kentucky students rank with their peers across the Nation in every field of study. The point I am trying to make is that we simply cannot continue to